

**FORT LAUDERDALE COMMUNITY REDEVELOPMENT AGENCY (CRA)  
8<sup>TH</sup> FLOOR CONFERENCE ROOM  
CITY HALL**

**TUESDAY, MAY 20, 2003**

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Mayor Naugle called the meeting to order at approximately 4:05 p.m. Roll was called and a quorum was present.

Present: Chairman Naugle  
Commissioner Teel  
Commissioner Trantalis  
Commissioner Hutchinson (Entered meeting at 4:07 p.m.)  
Commissioner Moore

Absent: None

Also Present: City Manager  
City Attorney  
City Clerk

**Northwest Commercial Redevelopment Project (N.W. 7 Avenue and Sistrunk Boulevard)**

Kim Jackson, CRA Director, stated that a motion had been passed on June 4, 2003 by this Commission to approve the reselection of Milton Jones Development Corporation (MJDC) and authorize negotiations with them for the Northwest Commercial Redevelopment Project located at the SE corner of NW 7<sup>th</sup> Avenue and Sistrunk Boulevard. She stated there had been a conflict of interest due to HUD issues which had been resolved.

Commissioner Hutchinson entered the meeting at approximately 4:07 p.m.

Ms. Jackson explained there had been a directive by the Commission and also the community that a grocery store become an anchor tenant at the site. She explained further they had been diligently attempting to find such a store and also were working on the redesign of the development. She stated that they were not able to show the revised development plans since they were still being modified, but Publix had expressed an interest in this site. Therefore, a status report would be given to the Commission on this issue, and she further asked that the Commission pass a resolution the CRA could forward to Publix which would not only be an enticement to them, but would also show a degree of support that they wanted to have a grocery store at this site.

Ms. Jackson stated that the developers were present at today's meeting to answer any questions the Commission might have.

Ms. Jackson further explained that the original site plan, which had been shown to the CRA Advisory Board, did have a mixed-use component. There was to be an anchor grocery store with commercial, and approximately 1-2 stories of residential units. She stated that had been a preliminary site plan which this Board had approved, but in the meantime the site plan had been modified.

Sean Jones, Vice-President of Milton Jones Development Corporation, stated that their preliminary site plan had always contemplated that residential units would be located above the retail. He explained that the final site plan would include a significant amount of residential units above the retail. He stated there would be several mixed-use buildings, as well as the grocery store, and would be about 7 stories total in height.

Commissioner Trantalis clarified that the grocery store would be a separate detached building. Mr. Jones confirmed. Commissioner Trantalis asked if this project had been approved. Ms. Jackson remarked that the project had not yet been brought before the Advisory Board. Mr. Jones reiterated that at this time they were requesting a resolution from the City supporting a grocery store at this location.

Mayor Naugle clarified what was actually being requested of the Advisory Board. Commissioner Trantalis asked if the property would eventually be sold to the corporation. Mr. Jones confirmed.

Commissioner Moore stated that was not totally correct. He continued stating that the property discussed one year ago was owned by the City, but the proposal on the table was not. He stated he wanted to re-emphasize what the Board had thought they were entering into. First, this development team was offering something he agreed with and he felt it was very appropriate, but the community's interest for a grocery store still held true. He explained that today's proposal was an additional acquisition of land which could possibly utilize eminent domain powers that would allow the property to be assembled to permit the development of the grocery store. He reiterated he was supportive of that happening, but his concern was in meeting the request of the community from onset.

Commissioner Moore further stated that if the land acquisition did not take place, there could be issues not visible today in the attempt to assemble such land. He continued stating that he would like for the developer to offer to the Board how they would deliver the grocery store on the properties presently owned by the City which they were under contract to develop. He reiterated the proposal was a great one and one he felt they should support, but he also wanted an alternative in case the acquisition did not occur.

Commissioner Moore recommended that this Board agree to support the necessary resolution so they could proceed with the negotiations, but also asked in the interim that the developer offer what could be done if such acquisition did not take place.

Commissioner Moore reiterated that he did not want to hold this land without the community's desires being met.

**Motion** made by Commissioner Moore and seconded by Commissioner Hutchinson that the CRA support the planned development concept of the Milton Jones Development Corporation for said site, with an additional alternative that the grocery store was to be developed on parcels of property presently owned if the acquisition did not take place.

**Roll call showed:** YEAS: Commissioners Moore, Hutchinson, Teel, Trantalis, and Chairman Naugle. NAYS: None.

**Community Redevelopment Agency Advisory Board Member Conflict of Interest**

Kim Jackson, CRA Director, stated this was a request that the CRA Board would receive at the June 3, 2003 at the City Commission meeting to approve an exemption for a CRA Advisory Board Member, Tim Hernandez. She further stated that this Board Member was in the process of developing a 32-unit for sale project south of the JPI project on 2<sup>nd</sup> Avenue. They had not applied for any incentives through the CRA, however, due to the redevelopment taking place he had purchased some land and developed a project.

Ms. Jackson continued stating that one of their programs had a streetscape incentive component in their desire to upgrade the urban environment in the Flagler Heights area. She explained they had checked if that would pose a conflict of interest, and since Mr. Hernandez is an Advisory Board Member there was a conflict. However, there was a statutory provision whereby the City Commission who had appointed this Board Member could waive the conflict. She explained this had to be done as the City Commission, but she had brought this up to the CRA Board since the conflict was actually with a CRA Advisory Board Member. She further explained that although the streetscape improvement program had a provision whereby an exemption could be provided and streetscape improvements be permitted for their project, it is recommended a policy be put in place which would not permit an Advisory Board Member, when sitting on the Board, to apply for the other incentive programs to go directly to their projects. She stated it was very different when supplying a streetscape incentive which was in a public right-of-way.

Commissioner Moore stated he liked the concept and appreciated the fact that the Director stated no other incentives would be given to a member of the Advisory Board, except for the streetscape. He stated that the other issue was if this was going to be done for an individual who was designing the concept of streetscapes and the guidelines which would be beneficial to those streetscapes, he felt they should possibly add another component which was affordability of the units. He stated he did not see any workforce housing which was truly affordable in the redevelopment area, except in the Northwest Quadrant. He stated the affordability of these for sale units were becoming out of line and were being demanded by the market, but he asked if a consideration of a certain percentage of units be dedicated at workforce cost to create the affordability for such a project.

Mayor Naugle stated he believed this project was under construction, and asked if this should be something considered in future developments. Commissioner Moore stated he was speaking about this development and future ones. Ms. Jackson confirmed the project was under construction, and therefore, financing had been received based on certain proformas and she believed the units were sold out. She reminded the Board that a program was in place for incentives for projects under \$5 Million, which this project would have qualified for, in a housing program and a portion of the units would have had to have been affordable. She reminded the Board they had mandated that she create a program which did that, and the streetscape program had been separated at that time in case funding was needed for the development of an affordable component. She explained if it was the street or right-of-way, it could not be mandated for several reasons. One reason was that the likelihood of anyone receiving funding and getting the streetscapes would be limited. She stated there were two separate programs. One addressed affordability and one did not. She stated that this project did not address affordability and could not be done since it was too far down the road.

Commissioner Moore replied if that was the case, he did not want to give him the streetscape. He stated if he could not find a way to allow individuals to have affordable housing in the redeveloped community, then such a project was not beneficial. He still believed that 10% of the units could be set aside for affordable housing.

Commissioner Trantalis asked what improvements were included in the streetscape and what they would cost. Ms. Jackson stated that each project was different because it depended on the linear footage of the project. In this case, the JPI project ran from 6<sup>th</sup> Street to 5<sup>th</sup> Street, however, it did not run the whole length. Instead of just doing a portion of it, JPI paid for a piece and the CRA paid for a piece. She explained the other project went from 5<sup>th</sup> Street to 4<sup>th</sup> Street, and their goal was to create an extended urban environment and have a complete block finished. She further explained it would be cost out and

determined by the formula the Board approved, what his portion was, and what cost would be placed upon the CRA.

Ms. Jackson reiterated that each street would be different and depended upon the ownership patterns, back-out parking, curb and gutter issues, and various other matters. She emphasized there was a formula which dictated it and if they went beyond the formula, then it would have to come back before the Board for the approval of additional funds.

Ms. Jackson explained that the program was not designed to come back to the Advisory Board since they had already approved the formula, but if they desired for it to come back then they would have to advise her.

Mayor Naugle remarked that he felt it would be good for the Board to look at it. Ms. Jackson stated they had intended to send out informative memos so the Board could see the incentive which had been applied for and what formula had been used. Mayor Naugle asked if the Advisory Board would have any input regarding the design of the improvements. Ms. Jackson confirmed and stated that once there had been a delineation by either JPI or Avenue Lofts of what the streetscape improvements were, they would be followed for all streets. Mayor Naugle stated there had to be some sort of review, and they could not rely on staff to make sure the public was being protected. He felt the Board or the Commission should look at these issues in order to avoid another Riverside Hotel. He explained that he was actually talking about the widths of the sidewalks, where cars would be parked, and the size of trees. Ms. Jackson stated that they could bring the streetscape design back to the Board and once it was delineated and defined, then each street could have similar characteristics.

Commissioner Trantalis asked for some further clarification. He asked if Mr. Hernandez had not applied for the streetscape improvement could the CRA have done it on its own. Ms. Jackson replied some streetscape could have been done, but the idea of streetscape improvements was so the developer could contribute as well. She added that the CRA would contribute approximately \$200,000, and their contribution was about 60% to 75% of the streetscape. Commissioner Trantalis stated that it was possible that the portion being improved in front of this applicant's building could be completely paid for by himself, but the CRA funds actually would be continuing the project further down the block. Ms. Jackson stated that could be possible.

Commissioner Moore stated that due to how this discussion was moving, he preferred to table this matter and deal with the ordinance he had asked for regarding affordability of housing in this City. He felt they needed to find a method which would encourage affordability of units, and he wanted to utilize the terminology of workforce housing in the City which did not exist. He stated that since they were beginning to carve out incentives for development, he wanted to use this as an incentive tool, but he wanted to make sure there would be an

opportunity of workforce housing being developed in this City. He reiterated that the ordinance needed to be designed in a manner whereby they could see what opportunities were available so the development and developers would know how to make affordable housing in this City. He stated he liked this idea and did not want to punish Mr. Hernandez, but he believed if they did not attempt to make the "puzzle fit," they were going to give away the "bath water and the baby" before they had a chance to fix it.

Mayor Naugle remarked there were two issues. They were being asked to waive the conflict, and there was a program in place regarding the streetscape. Apparently, this project met the current guidelines and afterwards if the Board wanted to discuss changing those guidelines to include affordability in the streetscape, then that discussion could be held. Mayor Naugle stated that he did not see how they could hold this project to standards which were not yet created. He stated that he supported the waiver provided the street design and incentive amount came back to the Advisory Board, and he also would support a discussion regarding this issue for their next agenda. He reiterated that all of the monies would be placed into the public right-of-way to make it better.

Commissioner Moore stated he agreed with this sentiment and understood why the Mayor felt that way, but he had requested workforce housing and the affordability of an ordinance for housing long ago before this particular consideration had been brought to this Board. Due to such request made ages ago which had not been done, now there was a situation where the "horse was pushing the wagon," instead of carrying it. Possibly due to this situation, they might be able to get what had been requested which was an ordinance dealing with workforce housing and affordability of housing.

Commissioner Teel stated she felt the two had to be separated. She stated she saw this as a big advantage in order to get improvements into the street, and what it would do was to show the public and the investors considering developing in that area that the City was serious about redevelopment for the neighborhood. She felt it was unfortunate that Commissioner Moore's request had not been followed through in the past, since it appeared the request had been made a very long time ago, but she did not feel it was right to hold up this project or make it look less complete or attractive, nor would it serve the purpose they were attempting to accomplish. She stated she was also in favor of reviewing the project as suggested by the Mayor.

Mayor Naugle confirmed that the exemption would move forward and a resolution would be presented at the June 3, 2003 Commission Meeting.

The City Attorney stated he was not aware of anyone in his office working on affordable housing or workforce housing, and stated that could be done. He suggested that a workshop be held in the very near future because they needed to decide how to make the housing affordable. He stated it was a simple matter

that you either gave incentives or reduced the regulations, along with other alternatives which were available, to make sure the developer reached his investment expectations. To keep it affordable was another matter and they would need to explore such alternatives.

Mayor Naugle asked if they needed to find a way to depress the values. The City Attorney stated perhaps to share in the values for the incentives provided by the City or a limitation on resale. Mayor Naugle remarked that he did not agree with government intervention in this matter.

Commissioner Moore remarked it was not about the first buyer, but about the affordability of the unit. He reiterated that he believed in the free enterprise system, but if they did not provide affordable housing, they would be wrong to pass up such an opportunity.

Mayor Naugle remarked there was a way to make housing affordable without all the artificial barriers.

Ms. Jackson suggested that a workshop be held on June 10, 2003 since a CRA meeting was already scheduled for that date and the agenda was to be very light.

Mayor Naugle reiterated that the Commission would bring forth a resolution on July 3, 2003, and the workshop would be held on June 10, 2003.

The City Attorney stated that on June 10, 2003 the issues would be presented. Commissioner Trantalis asked if the Board could also be presented on that date with proposals. The City Attorney stated that was what he had meant when he stated proposals was that issues, not solutions, would be discussed.

Commissioner Trantalis requested that Mayor Naugle speak ahead of time with the City Attorney regarding his ideas so that they could possibly come to some sort of conclusion and change the rules regarding incentives and CRA projects. Therefore, the City would then not only be for upper middle class individuals.

Commissioner Moore stated he believed this matter needed to be addressed, and that they should possibly extend invitations to the legal community representing such developers so they could sit at the table when various ideas would be presented. He felt they should be involved more in the projects.

The City Manager confirmed that he would have the City Attorney invite his colleagues to the workshop.

### **Review of the CRA Strategic Finance Plan**

Ms. Jackson stated she was going to show some of the strategy which went into what happened to create the Finance Plan as it presently existed.

Ms. Jackson proceeded to show the boundaries on a map of the CRA. In April 2003, she explained they had been asked by the Board to create a strategic plan and four geographic areas had been focused on. Those areas were Sweeting Estates, Midtown Business District, Dorsey Riverbend and Flagler Heights.

Ms. Jackson explained that Sweeting Estates was the area with the most amount of blight, but also great amounts of opportunity. She further explained in the Midtown Business District they had focused on the commercial aspects. She stated that Dorsey Riverbend was similar to Sweeting Estates and was the area where the Kratenstein fraud had occurred involving 200 units of blighted properties. She continued stating that in the Flagler Heights area there was a great deal of vacant land, right-of-way issues, and infrastructure conditions which caused a lack of private investment for the area. She explained further that the 3 City-owned sites were Konover, Lincoln Park, and the One-Stop Shop.

Ms. Jackson further stated that the Agency had been reorganized and incentive programs were developed, along with restaffing. In March, 2001, the Finance Plan had been developed and stated the Plan had begun at \$45 Million.

Ms. Jackson stated some background information was also supplied to the Board. She felt it was important that the Board understand the tax increment portion and explained that the background tax increment was the amount of growth over a five-year period that the area should realize through natural development. The new project tax increment was what was spurred by the redevelopment of the CRA. She stated there would be some new tax increment projects. She stated that JPI was in the finance plan, but Mr. Hernandez's project was not included.

Ms. Jackson further stated that the City was asked to support the plan and a breakdown of the funding was shown. She stated that the target was to make sure key areas were focused on, while at the same time they made sure that every TIF dollar would bring in private sector investment.

Ms. Jackson further explained that Banc of America and New Visions Community Development Corporation was a partner in the Sweeting Estates, along with Lennar/Bob Young project which was located along the River.

Ms. Jackson stated that a joint meeting had been held between the City and the County regarding the Midtown Business District to approve traffic calming issues on Sistrunk Boulevard. She stated that would be brought before the Board in July for approval, and then they would seek the permits from the County since it was a County roadway. She further explained they were still acquiring parcels through the Finance Plan and were still seeking private investment.



Ms. Jackson showed photographs of the Maria Freeman project which included 8,000 sq. ft. of new office space, and further advised that the Development Agreement had been signed, along with the lease. She also stated that the second reading for the rezoning was scheduled for tonight's Commission meeting. She stated these were the types of projects they wanted for the Midtown Business District area.

Ms. Jackson stated that the RFP regarding Dorsey Riverbend had been brought before this Board several months ago, and they were still working on various details since discussions were held regarding additional lots. Meetings were held with staff regarding such issues, and a meeting was to be held with the two proposers.

Ms. Jackson stated that in Flagler Heights there were five projects coming on line which they began partnering with, and proceeded to show some photographs of the projects.

Ms. Jackson proceeded to show the logo which had been adopted by the Board. She stated the end result was that the taxable value would go from \$293 Million to \$414 Million, and the tax increment would go from \$1 Million to \$2.7 Million. She advised that at this point they were ahead of projections and the TIF was growing rapidly. The first bond had been sold a few weeks ago and the acquisition was on schedule. She advised that finding the private development partners was also an ongoing initiative.

Ms. Jackson advised that in July the CRA would bring back the budget for the next fiscal year and they wanted the Board to have a good overview of how the funds would be spread out.

There being no further business to come before this Board, the meeting was adjourned at approximately 4:42 p.m.